

IRS News Release

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Corporate Use of e-File Up as Deadline Approaches

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WASHINGTON — As the Sept. 17 deadline approaches for calendar year filers of corporate returns who filed for extensions, the IRS urges certain corporate filers to be aware of their obligation to file electronically.

“We have seen significant increases in the number of electronically filed corporate returns,” said LMSB Commissioner Deborah M. Nolan. “Many large and mid-size corporations are required to e-file, but many more corporations are e-filing voluntarily. Software and e-filing support services have become readily available to all corporations that want to transition their tax filing from paper to electronic.”

This is the first year that certain “mid-size” corporations, those with assets between \$10 million and \$50 million, are required to electronically file their Forms 1120 or 1120S. As a result, about 12,000 mid-size corporations have successfully made the transition from filing paper returns to filing electronic returns so far this year.

The requirement to e-file now covers all corporations with assets over \$10 million that file 250 or more returns, such as Forms W-2 and 1099, annually. Last year, the requirement started for certain “large” corporations, those with assets over \$50 million. About 15,000 large corporations e-filed last year. So far this year, 8,000 large corporations have e-filed. The IRS expects that, as in past years, many large and mid-size corporations will file in early September to meet the Sept. 17 extended filing deadline.

Although small corporations, those with assets less than \$10 million, are not required to e-file, almost 625,000 have done so this year so far, compared to about 400,000 at this time last year.

“E-filing continues to bring efficiencies to the IRS by making data quickly available to identify issues that need resolution,” said Elvin Hedgpeth, Director, Treaty Administration and International Coordination, who is responsible for the electronic filing of large and mid-size corporations. “Many corporations are seeing the long range advantages of incorporating their tax filing into the electronic data environment that includes their tax and financial accounting.”

The growth in the area of corporate e-filing is the result of collaboration with corporate practitioner and technology stakeholder groups ensuring that systems were established to meet their e-filing needs and requirements. The IRS continues to provide extensive guidance and services to corporate stakeholders who are required to e-file or choose to e-file through the agency’s Web site, IRS.gov.